

**Towards the Estimation of Final Demand at Total Costs
(Paid Economic Costs Plus Unpaid Ecological Costs)
in an Extended National Accounting Central Framework**

André Vanoli

(Association de comptabilité nationale, France)

This paper proposes the estimation of final demand at total costs (paid economic costs *plus* unpaid ecological costs) and its inclusion in an extended national accounting central framework. Economy and Nature are treated as two separate entities within the super-entity called Planet. Unpaid ecological costs are the value, in terms of abstention or restoration costs, of the degradation of natural assets in a given period due to economic activities, both production and final use activities. They are finally attributed to resident/national final demand. International flows of ecological costs are taken into account. Economic product and income aggregates being unchanged, saving is reduced by the amount of unpaid ecological costs. A capital transfer of the same amount from Nature to the Economy rebalances the accounts. The paper presents, very tentatively, possible adjusted indicators for productivity changes and GDP volume changes, in order to take into account unpaid ecological costs, if any. A last part deals with the treatment of depletion/extraction of natural resources.